

**ASSEMBLY BILL**

**No. 8**

**Introduced by Assembly Members Battin and Strickland  
(Coauthor: Assembly Member Briggs)**

January 19, 1999

An act to amend Sections 52086 and 52126 of, and to add Section 52129 and Chapter 6.7 (commencing with Section 52075) to Part 28 of, the Education Code, relating to class size reduction, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 8, as introduced, Battin. Class size reduction: grades 7 and 8.

Existing law provides for class size reduction in kindergarten and grades 1 to 3, inclusive, and in grades 9 to 12, inclusive.

This bill would establish the Grades 7 and 8 Class Size Reduction Act of 1999 and would enable any school district that maintains grades 7 or 8, or both, to apply to the Superintendent of Public Instruction for an apportionment to implement a class size reduction program. This application would require a certification that the school district meets certain criteria. The bill would require the Superintendent of Public Instruction to apportion to each eligible applicant school district an amount equal to \$135 per unit of full year equivalent enrollment if the district certifies an average class size of 20 pupils and no more than 22 pupils in each participating class at each participating school. The bill would provide that these funds would not become part of the school

district's revenue limit, and are required to be identified as a separate item of expenditure on any financial report filed by the school district with the state. The bill would require the Office of the Legislative Analyst to examine the costs associated with the program, determine the average school district cost for implementing the program, and report these findings to the Legislature, the Governor, the Department of Finance, and the Superintendent of Public Instruction by May 1, 1999.

Existing law provides that the Superintendent of Public Instruction is required to apportion to each applicant school district an amount equal to \$135 per unit of full-year equivalent enrollment reported in grades 9 to 12, inclusive, if the district certifies an average class size of 20 pupils and no more than 22 pupils in each participating class at each participating school, and provides that apportioned pursuant to this provision are not part of a district's revenue limit, and shall be identified as a separate item of expenditure on any financial reports filed by school districts with the state pursuant to statute or regulation.

This bill would require the Office of the Legislative Analyst to examine the costs associated with the high school class size reduction program and determine the average district operational costs of implementing the program, to report its findings to the Legislature, the Governor, the Director of Finance, and the Superintendent of Public Instruction by May 1, 1999.

Existing law expresses the intent of the Legislature that the total statewide amount computed for class size reduction for kindergarten and grades 1 to 3, inclusive, commencing with the 1997-98 fiscal year, be appropriated to the Superintendent of Public Instruction in the annual Budget Act.

This bill would repeal this expression of legislative intent.

This bill would establish a continuously appropriated Class Size Reduction Fund in the State Treasury, and would require the Superintendent of Public Instruction to annually apportion to each school district eligible for the kindergarten and grades 1 to 3, inclusive, class size reduction program any funds transferred to this fund. The bill would require the Director of Finance to annually calculate the amount

necessary to fully fund this program, to biennially determine if there are excess funds in the Class Size Reduction Fund, and to certify and transfer any excess funds to the Proposition 98 Reversion Account.

To the extent that the funds appropriated by this bill are allocated to a school district or a community college district, those funds would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 6.7 (commencing with Section  
2 52075) is added to Part 28 of the Education Code, to read:

3

4 CHAPTER 6.7. PROGRAM TO REDUCE CLASS SIZE IN  
5 GRADES 7 AND 8

6

7 52075. (a) This chapter shall be known and may be  
8 cited as the Grades 7 and 8 Class Size Reduction Act of  
9 1999.

10 (b) The following entities shall not be eligible to  
11 participate in the Grades 7 and 8 Class Size Reduction  
12 Program:

13 (1) County boards of education.

14 (2) County superintendents of schools.

15 (c) Except as otherwise provided in subdivision (b),  
16 any school district that maintains grades 7 or 8, or both,  
17 may apply to the Superintendent of Public Instruction for  
18 an apportionment to implement the Grades 7 and 8 Class  
19 Size Reduction Program.

20 52076. A school district's application to implement a  
21 program pursuant to this chapter shall be comprised of  
22 the following:

23 (a) Certification that the grade 7 or 8, or both, course  
24 or courses included in the program are in the subjects of  
25 English or mathematics, or both.



1 (b) Certification of the number of grade 7 or 8, or both,  
2 classes included in the program in the courses designated  
3 pursuant to subdivision (a).

4 (c) Certification that the classes identified pursuant to  
5 subdivision (b) in each participating school shall on the  
6 average have no more than 20 pupils per certified teacher  
7 and no more than 22 pupils in any participating class.

8 (d) Certification of pupil enrollment in each class  
9 designated pursuant to subdivision (b), as determined  
10 pursuant to regulations authorized pursuant to  
11 subdivision (g). For purposes of this subdivision, the  
12 enrollment figure shall exclude both of the following:

13 (1) The number of special education pupils enrolled in  
14 special day classes on a full-time basis.

15 (2) The number of pupils enrolled in necessary small  
16 schools that receive funding pursuant to Article 4  
17 (commencing with Section 42280) of Chapter 7 of Part 24.

18 (e) The district's certification shall include a  
19 statement that implementation of a class size reduction  
20 program pursuant to this chapter has not adversely  
21 affected existing class size in courses not referenced in  
22 this chapter.

23 (f) While it is the intent of the Legislature that this  
24 program not increase the need for additional classroom  
25 facilities, a school district may utilize any funds  
26 apportioned pursuant to Section 52077 for the purpose of  
27 leasing additional classroom space in order to reduce  
28 overcrowded classroom conditions and to reduce  
29 pupil-to-teacher ratios.

30 (g) The Superintendent of Public Instruction shall  
31 recommend, and the State Board of Education shall  
32 adopt, regulations to implement this chapter on or before  
33 August 6, 1999.

34 (h) The Controller shall include instructions  
35 appropriate to the enforcement of this chapter in the  
36 audit guide required by subdivision (a) of Section 14502.

37 52077. (a) The Superintendent of Public Instruction  
38 shall apportion to each applicant school district an  
39 amount equal to one hundred thirty-five dollars (\$135)  
40 per unit of full-year equivalent enrollment reported

1 pursuant to subdivision (d) of Section 52075 if the district  
2 certifies an average class size of 20 pupils and no more  
3 than 22 pupils in each participating class at each  
4 participating school.

5 (b) Funds apportioned pursuant to this section shall  
6 not become part of a school district's revenue limit, and  
7 shall be identified as a separate item of expenditure on  
8 any financial reports filed by school districts with the state  
9 pursuant to statute or regulation.

10 (c) The Office of the Legislative Analyst shall examine  
11 the costs associated with the Grades 7 and 8 Class Size  
12 Reduction Program and determine the average school  
13 district's operational cost for implementing the program.  
14 The Legislative Analyst's office shall report their findings,  
15 in writing, to the appropriate policy and budget  
16 committees of the Legislature, the Governor, the  
17 Director of Finance, and the Superintendent of Public  
18 Instruction on or before May 1, 1999.

19 (d) It is the intent of the Legislature, to the extent that  
20 funds are available through the annual state Budget Act,  
21 to fully fund the average cost of Grades 7 and 8 Class Size  
22 Reduction Program for the 1999–2000 fiscal year, based on  
23 the findings of the Legislative Analyst.

24 52078. In any fiscal year, if the funds appropriated for  
25 the purposes of this chapter by the Budget Act are  
26 insufficient to fully fund the program pursuant to the  
27 formula established in Section 52077, the Superintendent  
28 of Public Instruction shall apportion the available funds  
29 on a pro rata basis.

30 SEC. 2. Section 52086 of the Education Code is  
31 amended to read:

32 52086. (a) The Superintendent of Public Instruction  
33 shall apportion to each applicant district an amount equal  
34 to one hundred thirty-five dollars (\$135) per unit of  
35 full-year equivalent enrollment reported pursuant to  
36 subdivision (d) of Section 52084 if the district certifies an  
37 average class size of 20 pupils and no more than 22 pupils  
38 in each participating class at each participating school.

39 (b) Funds apportioned pursuant to this section shall  
40 not become part of a district's revenue limit, and shall be

1 identified as a separate item of expenditure on any  
2 financial reports filed by school districts with the state  
3 pursuant to statute or regulation.

4 *(c) The Office of the Legislative Analyst shall examine*  
5 *the costs associated with the high school class size*  
6 *reduction program and determine the average district*  
7 *operational cost of implementing the program. The*  
8 *Office of the Legislative Analyst shall report their*  
9 *findings, in writing, to the appropriate policy and budget*  
10 *committees of the Legislature, the Governor, the*  
11 *Director of Finance, and the Superintendent of Public*  
12 *Instruction on or before May 1, 1999.*

13 *(d) It is the intent of the Legislature, to the extent that*  
14 *funds are available through the annual State Budget Act,*  
15 *to fully fund the average cost of the Program to Reduce*  
16 *Class Size in Two Courses in Grade 9 for the 1999–2000*  
17 *fiscal year, based on the findings of the Legislative*  
18 *Analyst.*

19 SEC. 3. Section 52126 of the Education Code is  
20 amended to read:

21 52126. The amount of funding that each school district  
22 implementing a Class Size Reduction Program pursuant  
23 to this chapter is eligible to receive shall be computed as  
24 follows:

25 (a) If a school district applies to participate in Option  
26 One, pursuant to subparagraph (A) of paragraph (2) of  
27 subdivision (b) of Section 52122, the Superintendent of  
28 Public Instruction shall apportion to the applicant school  
29 district an amount equal to eight hundred dollars (\$800)  
30 for each pupil actually enrolled in the classes in which the  
31 school district implements the program, except that the  
32 maximum number of pupils for which a school district  
33 may claim funding for any class shall not exceed 20. The  
34 number of pupils claimed pursuant to this subdivision  
35 shall be pupils actually enrolled in classes participating in  
36 the Class Size Reduction Program and shall not be based  
37 on the average size of the classes for any grade levels for  
38 which funding is claimed.

39 (b) If a school district applies to participate in Option  
40 Two, pursuant to subparagraph (B) of paragraph (2) of

1 subdivision (b) of Section 52122, the Superintendent of  
2 Public Instruction shall apportion to the applicant school  
3 district an amount equal to four hundred dollars (\$400)  
4 per pupil actually enrolled in the classes in which the  
5 school district implements the program, except that the  
6 number of pupils in any class for which a school district  
7 may claim funding for the instructional minutes offered  
8 shall not exceed 20. The number of pupils claimed  
9 pursuant to this subdivision shall be pupils actually  
10 enrolled in classes participating in the Class Size  
11 Reduction Program and shall not be based on the average  
12 size of the classes for any grade levels for which funding  
13 is claimed.

14 (c) (1) If a school district applies to participate in  
15 Option One, pursuant to subparagraph (A) of paragraph  
16 (2) of subdivision (b) of Section 52122, the  
17 Superintendent of Public Instruction shall apportion to  
18 the applicant school district an amount equal to six  
19 hundred fifty dollars (\$650) for each pupil actually  
20 enrolled in the classes in which the school district  
21 implements the program and at least one of the following  
22 conditions exists:

23 (A) The requirements of subdivision (e) of Section  
24 52122 have been satisfied, except for the requirements of  
25 either paragraph (1) or (2), of that subdivision, or both.

26 (B) The pupil enrolls in the school district after  
27 February 16, 1998.

28 (2) The maximum number of pupils for which a school  
29 district may claim funding for any class does not exceed  
30 20. The number of pupils claimed pursuant to this  
31 subdivision shall be pupils actually enrolled in classes  
32 participating in the Class Size Reduction Program, and  
33 shall not be based on the average size of the classes for any  
34 grade levels for which funding is claimed.

35 (d) (1) If a school district applies to participate in  
36 Option 2, pursuant to subparagraph (B) of paragraph (2)  
37 of subdivision (b) of Section 52122, the Superintendent of  
38 Public Instruction shall apportion to the applicant district  
39 an amount equal to three hundred twenty-five dollars  
40 (\$325) for each pupil actually enrolled in the classes in

1 which the school district implements the program and at  
2 least one of the following conditions exists:

3 (A) The requirements of subdivision (e) of Section  
4 52122 have been satisfied, except for the requirements of  
5 either paragraph (1) or (2) of that subdivision, or both.

6 (B) The pupil enrolls in the school district after  
7 February 16, 1998.

8 (2) The maximum number of pupils for which a school  
9 district may claim funding for any class shall not exceed  
10 20. The number of pupils claimed pursuant to this  
11 subdivision shall be pupils actually enrolled in classes  
12 participating in the Class Size Reduction Program, and  
13 shall not be based on the average size of the classes for any  
14 grade levels for which funding is claimed.

15 (e) The per pupil amount set forth in subdivisions (a)  
16 and (b) shall be increased annually for inflation by the  
17 percentage change determined pursuant to subdivision  
18 (b) of Section 42238.1.

19 (f) Except for the advance apportionment, the  
20 Superintendent of Public Instruction shall apportion  
21 funds to a school district only after certification that its  
22 Class Size Reduction Program has been implemented for  
23 that fiscal year.

24 (g) The Superintendent of Public Instruction shall  
25 apportion funds for this program in the following  
26 manner:

27 (1) An advance apportionment shall be made  
28 following passage of the annual Budget Act. This  
29 apportionment shall be provided to all school districts  
30 that participated in the program in the prior fiscal year,  
31 and shall be limited to 25 percent of the amount  
32 computed by multiplying the appropriate per pupil  
33 stipends times the actual enrollment in each participating  
34 class in the prior fiscal year, as reported by the district  
35 pursuant to subdivision (d) of Section 52124.

36 (2) Each year an apportionment to all applicants shall  
37 be made following receipt of applications submitted  
38 pursuant to Section 52123, adjusted as necessary by the  
39 amount received pursuant to paragraph (1). If a school  
40 district that participated in this program in the prior fiscal



1 year fails to submit an application, all funds apportioned  
2 to that school district pursuant to paragraph (1) shall be  
3 deducted from the district's next monthly principal  
4 apportionment payment.

5 (3) A final adjustment to the amounts paid pursuant to  
6 paragraph (2) shall be made following receipt of the  
7 actual enrollment in each participating class, to be  
8 reported by each school district pursuant to subdivision  
9 (d) of Section 52124.

10 (h) Irrespective of the amount that a school district  
11 receives pursuant to subdivision (a) on the basis of the  
12 application it makes under Section 52123, that district  
13 shall not retain any funds it receives for any class that does  
14 not actually meet all of the requirements of the Class Size  
15 Reduction Program.

16 ~~(i) It is the intent of the Legislature that the total~~  
17 ~~statewide amount computed for the purposes of this~~  
18 ~~chapter pursuant to this section, commencing with the~~  
19 ~~1997-98 fiscal year, be appropriated to the~~  
20 ~~Superintendent of Public Instruction in the annual~~  
21 ~~Budget Act.~~

22 SEC. 4. Section 52129 is added to the Education Code,  
23 to read:

24 52129. (a) The Class Size Reduction Fund is hereby  
25 established in the State Treasury and, notwithstanding  
26 Section 13340 of the Government Code, is continuously  
27 appropriated to the State Department of Education. The  
28 Superintendent of Public Instruction shall annually  
29 apportion to each school district the funds for which the  
30 school district is eligible pursuant to the Class Size  
31 Reduction Program under this chapter from any funds  
32 that are transferred to the Class Size Reduction Fund.

33 (b) It is the intent of the Legislature that the  
34 establishment of the Class Size Reduction Fund shall  
35 provide a guarantee that the funds necessary to pay the  
36 costs of class size reduction for all public school pupils in  
37 kindergarten and in grades 1 to 3, inclusive, shall be  
38 available.

39 (c) The Director of Finance shall annually calculate  
40 the amount necessary to fully fund the Class Size

1 Reduction Program established pursuant to this chapter.  
2 The amount to be calculated pursuant to this subdivision  
3 shall be the product of the enrollment in kindergarten  
4 and in grades 1 to 3, inclusive, as projected by the Director  
5 of finance and the Option One per-pupil amount. From  
6 the total funds allocated to school districts from the  
7 General Fund pursuant to subdivision (b) of Section 8 of  
8 Article XVI of the California Constitution, the Controller  
9 shall annually transfer to the Class Size Reduction Fund  
10 the amount calculated pursuant to this subdivision.

11 (d) The Director of Finance shall biennially  
12 determine if there are excess funds in the Class Size  
13 Reduction Fund. Upon certification by the Director of  
14 finance, the Controller shall transfer any excess funds to  
15 the Proposition 98 Reversion Account.

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